



Natural Resources Conservation Service
State Office
100 USDA, Suite 206
Stillwater, OK 74074-2655
Telephone (405) 742-1236

May 27, 2003

OKLAHOMA BULLETIN NO. OK440-3-8

SUBJECT: PGM – Environmental Quality Incentives Programs (EQIP) Allocations and Related Information

Purpose: To provide field offices with 2003 EQIP allocations and related information for implementation of EQIP.

Expiration Date: September 30, 2003

The following documents for the Environmental Quality Incentives Program (EQIP) have been posted for review on the NRCS conservation Programs website:

Final Rule:

http://www.nrcs.usda.gov/programs/farmbill/2002/rules/7CFR1466_EQIPFinal.pdf

(Note: The final rule has not been published in the Federal Register as of this writing. This is a copy of the rule provided for publication.)

Final Rule Summary:

<http://www.nrcs.usda.gov/programs/farmbill/2002/pdf/EQIPRLSm.pdf>

EQIP Question and Answers (Revised):

<http://www.nrcs.usda.gov/programs/farmbill/2002/pdf/EQIPQnA.pdf>

Review these documents and become familiar with the EQIP program implementation rules. Additional information and training will be forthcoming with the release of the revised Conservation Programs Manual (CPM), Part 515, Environmental Quality Incentives Program. The revised manual has not been released at this date. With the release of the Final Rule on the NRCS website, the following information is now provided to NRCS Field Personnel for action.

EQIP Allocations

The attached spreadsheet provides the EQIP allocation that will be forwarded through the Farm Service Agency automated system, once it is received in the state. The National Office has not received authority to transmit allocations to the states at this time. These allocations are being provided for District Conservationists to begin making decisions and developing contractual documents for obligation. NRCS District Conservationists are responsible for managing the allocations and maintaining fund integrity at the county level. An optional spreadsheet is available for district conservationists to use to track allocations and obligations as they are completing and obligating contracts. The spreadsheet can be accessed at the website address -

http://intranet.ok.nrcs.usda.gov/PGM/Forms%20For%20Download/Field%20Office%20Fund%20Mgmt%20workbook12_5_02.xls.

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The allocations closely follow the process that was outlined in the training sessions last fall and presented at a number of meetings held around the state with conservation districts. Approximately \$9.9 million is provided in financial assistance funding and for fiscal year 2003. The distributions of these funds are as follows:

Lagoon closure set-aside (\$135,000) – This funding was set-aside to assist in the closure of waste treatment lagoons and waste storage ponds where confined animal production operations were discontinued voluntarily, involuntarily, or by termination of an industry contract. Offices impacted by industry actions were notified by letter and are taking producers' applications for lagoon closures. Field offices with applications for affected operations are to forward requests to Darren Hickman, Environmental Engineer. These applications are evaluated and ranked by a team and selected for funding at the state level. Supplemental allocations will be sent directly to counties with approved contracts.

Program Reserve (\$500,000) – The reserve will be held at the state office and allocated to counties, as needed, to fund errors, omissions, and appeals on prior year contracts and other unforeseen issues that may arise in the actual implementation of EQIP at the local level. This money cannot be carried over to future years. The balance will be distributed for obligation at the local level prior to the end of the fiscal year.

Equity Base Allocation (\$5,945,760) – This distribution represents 60% of the state's total allocation. It is equally distributed between Oklahoma's 88 conservation districts. Each conservation district has established locally led priorities for natural resource concerns. District Conservationists are responsible for use of these funds consistent with local priorities and program policy.

Locally-led State Priorities (\$1,486,440) – This distribution represents 15% of the state's total allocation and is provided to assist in accelerated treatment of local resource issues that are determined significant within the state of Oklahoma. The resource issues are selected, prioritized, and recommended by the State Technical Committee from the listing of locally led resource concerns identified at the district level. For fiscal year 2003, the priority resource issues are:

- The Management of Invasive Brush on Rangelands – Eastern Redcedar
- Surface Water Quality Concerns from Nutrient and Organic Contaminants
- Sheet and Rill Erosion on Cropland
- Classic Gully Erosion from Concentrated Flow on Grazingland
- Groundwater Quality Concerns from Nutrient and Organic Contaminants

This distribution is blended with the equity base allocation to enhance the opportunity to fund and impact these issues of highest concern within the state. District conservationists are responsible to deliver these funds consistent with the local priority resource issue for which the additional funds were provided. See the attached table for funding allocations to counties/conservation districts based on resource concerns.

Local Emphasis Areas (\$851,440) – Local Emphasis Areas (LEAs) are locally described, approved, and funded based on a locally identified need to address sensitive environmental issues within a specific geographic area. Funding for LEAs may be provided through local prioritization of equity base or locally-led funds that are consistent with the priority resource issues for which the funds were provided. For fiscal year 2003, approximately 8.5% of the state allocation was distributed to these locally identified areas to address significant resource conservation concerns. See the attached table for funding to LEAs.

American Indian and Underserved Community Outreach (\$990,960) – Approximately 10% of the allocation is distributed for natural resource issues and concerns of American Indian Tribes (10) and communities that have not historically participated in USDA conservation programs (5). These areas were identified through NRCS assistance with the Tribes or through the locally-led process across the state.

Ground and Surface Water Conservation (\$817,300) – These funds are delivered through the EQIP authorities, but are appropriated by Congress separate from the EQIP appropriation. These funds are required to be used for conservation measures on irrigated land that return a net water savings for the operating unit. Previously, these funds were earmarked by Congress to be used in the High Plains Aquifer. This earmark was not specifically included in the 2003 appropriation, which would allow these funds to be used statewide. Due to the late delivery of these funds, relatively small allocation, and the large application backlog from last year, it has been determined to continue the priority of these funds for the High Plains this year. Beaver, Cimarron and Texas counties will receive a direct allocation for local funding of applications. Ellis, Harper and Woodward counties will enter their evaluated applications in the Excel spreadsheet (Refer to OK440-3-6) and email to Kevin Norton, Assistant State Conservationist for Programs, by June 16, 2003. A distribution will be made to these counties based on selection of the highest ranked applications.

Allocation Management

Fiscal Year 2003 funding has not been allocated to the FSA State Office or to county offices as of this writing. NRCS District Conservationists cannot sign any EQIP contractual form (CCC-1200) for FY2003 until the following occurs:

- ✓ The County Level EQIP Program Description and the County Level approved Practice List have been submitted by the District Conservationist to the Programs Section, State Office. (See Bulletin OK440-3-9).
- ✓ The revised CCC-1200 and CCC-1200 Appendix have been provided to field offices. These forms are being revised to include the self-certification of limited resource and beginning farmers. Participants accepted for contract development this year and new applicants for the program will be required to sign these forms. Applications taken on the old CCC-1200 are valid as applications, but cannot be used to obligate contracts for the current year.
- ✓ FSA County Offices are notified of the allocations through the automated contracting system.

When funds are received in the FSA county offices, NRCS District Conservationists are responsible for ensuring that adequate funds exist in the county office where the contract will be administratively carried by FSA. Verify with the FSA County Office that adequate FY2003 EQIP funds are available for the total amount of the contract. The funding allocation provided to a specific county in the attached spreadsheet is tied directly to the NRCS office administering the contract. Fund transfers from your allocation to another county to cover contracts administered by a different FSA County office are to be coordinated with the appropriate district conservationist and by written request to the Assistant State Conservationist for Programs.

District Conservationists will schedule all activities to obligate funds and provide obligating documents to the Farm Service Agency County Office no later than July 15, 2003. On or before July 15, 2003, each district conservationist will report in writing to the Assistant State Conservationist for Programs the following:

Fiscal Year 2003

Total EQIP allocation	a. _____
Total dollars obligated in contracts	b. _____
Unused Balance available	c. _____ (a – b = c)
Total EQIP funds needed	
to fund the next ranked application	d. _____ (total of next contract)
Additional funds needed to obligate	
another contract	e. _____ (d – c = e)

Fund balances will be evaluated after July 15th and redistributed to ensure all funds are obligated in contracts prior to the end of the fiscal year. Initial allocations not obligated by July 15th are subject to withdrawal and reallocation.

Press Release

A sample press release has been developed for field personnel to use in announcing the release of EQIP funds and the status of EQIP at the local level. District Conservationists should tailor this article to specifically address EQIP delivery and workload at the local level. The sample press release can be found at the following website:

[http://intranet.ok.nrcs.usda.gov/PGM/Forms For Download/2003EQIPFundAvail.doc](http://intranet.ok.nrcs.usda.gov/PGM/Forms%20For%20Download/2003EQIPFundAvail.doc).

/s/

M. DARREL DOMINICK
State Conservationist

Attachments